

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2342-01  
BILL NO.: HB 1309  
SUBJECT: Children and Minors; Licenses - Miscellaneous  
TYPE: Original  
DATE: February 14, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

The **Department of Health** assumes this proposal would not fiscally impact their agency.

The **Department of Mental Health (DMH)** assumes this proposal would not fiscally impact their agency as facilities being licensed by DMH are not exempt from licensing due to religious affiliation.

The **Department of Social Services (DOS)** states there is no fee for a potential Residential Child Care Agency throughout the licensing process. However, Residential Child Care Agency accreditation by an accrediting agency is, typically, very expensive. DOS states the Missouri Child Care Association estimates that there are four hundred to five hundred emotionally disturbed children residing in a minimum of seven to eight religiously exempt Residential Child Care Agencies. DOS anticipates that most and possibly all of the unlicensed Residential Child Care Agencies would opt for the licensure program. DOS further states that it is possible that a few may opt for both licensure and accreditation by an accrediting agency. DOS also anticipates that there would be new agencies in the future that would otherwise have had a religious exemption that would need to go through with the accreditation or licensure program or would opt for both.

DOS assumes one FTE Residential Licensing Consultant (\$42,288) would be needed to seek out the current Residential Child Care Agencies that have had religious exemption and discuss the options with the same. DOS states the Consultant would need to provide technical services throughout the initial licensure process, provide technical assistance in the supervisory and license renewal process, visit the Residential Child Care Agencies a minimum of two times per year, conduct on-site inspections, monitor compliance with DOS rules, and provide technical consultation on an as needed basis. DOS estimates total costs related to this additional FTE at \$61,895 in FY01, \$65,805 in FY02, and \$67,489 in FY03.

**Oversight** assumes no additional FTE would be needed for the initial license application and future renewal applications of eight or ten exempt facilities. Oversight assumes that DOS' current licensing and inspection program could absorb these additional license applications and future renewal applications.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would be expected to be fiscally impacted to the extent that they would incur additional administrative costs for licensing and/or additional accreditation costs due to the requirements of this proposal.

DESCRIPTION

Under current law, any foster home arrangement, residential care facility, or child placement agency operated by a well-known religious order or church is exempt from the licensure requirements established by the Division of Family Services. This proposal would limit this licensure exemption to those foster home arrangements, residential care facilities, and child placement agencies which are accredited by a national accrediting agency that has been in existence at least 5 years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

MPW:LR:OD:005 (9-94)

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Department of Health  
Department of Mental Health  
Department of Social Services

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA  
Director  
February 14, 2000